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Second country cooperation framework for Guyana (2001-2003)

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Introduction

1. The second country cooperation framework (CCF) for Guyana (2001–2003) was formulated by the Government, in full consultation with UNDP. As with the first CCF, the second CCF aims to adopt options and strategies for the optimal use of resources and other assistance available through UNDP to meet some of Guyana's most pressing development needs, particularly in the context of promoting sustainable human development. Preparation of the second CCF was also informed by the ongoing programmes and policies of the various social sector agencies, and by an assessment of the support that UNDP will be able to provide to these agencies in their efforts to advance Guyana's development process.

2. The second CCF takes into account the forward-looking strategies of the Government designed to focus on the issue of poverty, which is regarded as the most serious impediment to sustainable development. New data informing such strategies came from the 1999/2000 Living Conditions Survey, which had the overall objective of measuring the impact of the country's economic and social programmes on poverty, and the policies, plans and strategies put forward in the recently finalized National Development Strategy and the Interim Poverty Reduction Strategy Paper.

I. Development situation from a sustainable human development perspective

3. Following independence in 1966, Guyana's economy grew at an average rate of 7.5 per cent per annum, until 1975, when a series of external shocks resulted in a precipitous decline in its economic fortunes. During the 13 years between 1975 and 1988, there was a contraction of the economy, resulting in a cumulative 20.8 per cent drop in real gross domestic product (GDP), which inevitably led to the deterioration of the country's social and physical infrastructure.

4. In 1989, on the advice of the Bretton Woods institutions and members of the donor community, an Economic Recovery Programme was introduced, which was designed to establish a market-oriented economy. The main objectives of the Programme, which is still being pursued, albeit with some modifications, are the establishment of internal and external sector equilibrium, the promotion of greater efficiency in the use of resources and the attainment of greater international competitiveness. The economy responded positively to these developments, and between 1991 and 1997 GDP grew at an average rate of 7.1 per cent per annum. However, since 1998, GDP growth has contracted somewhat (-1.3 per cent in 1998, and 3 per cent in 1999), revealing an extremely fragile economy that remains vulnerable to internal and external shocks.

5. Despite the recent positive developments in economic performance, which were accompanied by sharp increases in government expenditure in the social sector (from 4 per cent in 1991 to 20 per cent in 1999), poverty remains a critical problem. Although there has been a marked reduction in poverty since 1993, the 1999 Living Conditions Survey indicated that 35 per cent of the country's population live in absolute poverty, while 19 per cent exist in a state of critical poverty. The highest incidence of poverty is found in the hinterland region and in the rural coastal areas, with large pockets of poverty existing in urban locations. As a result, both the National Development Strategy and the Interim Poverty Reduction Strategy Paper have emphasized the need to attain an equitable geographical distribution of economic activity, if sustainable social and economic development is to be achieved, and if poverty is to be eradicated in the foreseeable future.

6. The Government recognizes the importance of sustained economic growth in alleviating poverty. It also recognizes the dearth of individual and institutional capacity at all levels of the economic and social structure of the country, and has requested support from the donor community to assist it in transforming the situation. The impact on

the social sector of the poor economic performance of the country has been very damaging. Education and health facilities have deteriorated precipitously. While efforts in the recent past have resulted in some improvement in the health and education infrastructure, the shortage of trained professionals in these and other areas of the public sector has meant that the literacy rate, mortality rate (especially infant and maternal) and incidence of communicable diseases, among other things, have not shown significant improvement. In fact, the country continues to experience a constant outflow of professionals and trained technicians in search of better paying jobs and higher levels of social services for themselves and their families. These occurrences and the problems they have created are largely unquantified because of the absence and/or inadequacy of social sector data.

7. Data gaps are particularly noticeable in tracking the rapidly expanding spectre of the incidence of HIV/AIDS in the country. Estimates from the national authorities put the incidence of HIV/AIDS at 4 to 5 per cent of the population, with the highest concentration among people in the productive ages of 15 to 39 years old. With its almost complete absence of support systems, the impact on an already weak health sector is expected to be devastating. Labour force estimates show an inactivity rate of over 40 per cent, although unemployment is reported to be less that 10 per cent. By implication, the dependency ratio of the country is extremely high and likely to increase. It has been argued satisfactorily that the impact of the break down of the social sector is felt more by women, although the shortage of skills has permitted women a relatively easy advancement into many aspects of work life. While no major impediments exist to prevent women and girls' access to education or jobs under Guyana's constitution, in actual fact, the systematic breakdown of social sector institutions has removed many of their choices. Their lives are consumed by the support required by extended families in the absence/inadequacy of day-care, education and health and geriatric care facilities. Consequently, women have been unable to participate in decision-making, and their numbers in public life have declined in recent times.

8. While women in coastal and urban locations are isolated by the demands placed on their time by the routine of their daily lives, indigenous peoples continue to be marginalized from economic opportunities, social services, basic public infrastructure goods and the mainstream of national life, by their geographic location in the sparsely-populated and not easily accessible hinterland of the country.

II. Results and lessons of past cooperation

9. The Government recognizes that UNDP possesses certain unique qualities that make it suitable to provide assistance in specific critical areas. During the period of the first CCF, four areas of concentration were embraced: (a) capacity-building for poverty eradication and sustainable human development; (b) governance, institutional development and consensus-building; (c) productive employment, income generation and skills training for sustainable livelihoods; and (d) coordinated policy formulation, appropriate regulatory frameworks and institutional and human resource development for environmental sustainability. The country review found that the focus of the first CCF reflected the Government's development objectives and was consistent with the United Nations approach to development assistance.

10. The first area of concentration, capacity-building for poverty eradication and sustainable human development, contributed to Guyana's social and political development, by assisting the Government to prepare a National Poverty Reduction Strategy Paper, which will enable the country to gain access to more than $25 million per year in debt write-offs, through the enhanced Highly Indebted Poor Country Initiative. Additionally, this area of concentration helped to strengthen the skills of personnel in both public and civil society agencies working towards poverty reduction. Assistance was also provided to formulate and implement capacity development programmes in national statistical collection and analysis; assist the

Ministry of Health in the development of capacity to implement the country's National Health Plan; develop systems and train practitioners in various aspects of human resource planning, utilization and management; and support the consultative process for finalization of the Interim Poverty Reduction Strategy Paper. Attention was also placed on information technology as a tool for development, with the creation of the Sustainable Development Networking Programme, which aimed at bridging the digital divide and enhancing good governance, by improving administrative transparency and access to information. Under this programme, many government agencies, non-governmental organizations and related partners were encouraged and helped to develop web sites and share information.

11. The country review also noted that UNDP resources were declining, and that capacity for programme implementation remained weak, owing to high staff turnover. As a consequence, the review suggested that future assistance should focus on advocacy for sustainable human development issues, and on few programmes. In addition, the proposition that the Government should be given the lead role in the process of project selection, design and implementation was endorsed. The strategy that was formulated to meet the broad goal of the second area of concentration, governance, institutional development and consensus-building, included the provision of support to the processes of constitutional reform and participatory democracy, and the advocacy and promotion of respect for civil rights. Much success was attained within this programme area. UNDP assistance contributed greatly to the efficacy of the consultative arrangements put in place in to solicit the views of Guyana's citizens on constitutional reform, and in the organization and implementation of a nationwide programme of public information and education on constitutional issues. In addition, in the course of its endeavours to enhance the capacity of civil society to participate in various aspects of democracy, UNDP supported the establishment of the Women's Leadership Institute, in which many women were trained in areas that improved their ability to identify development objectives and formulate and implement policies for their achievement. UNDP intervention within the second thematic area of the first CCF made a significant contribution to defusing the political instability in the aftermath of the 1997 general elections and the successful holding of national elections two years before the constitutional due-date.

12. The third area of focus was on productive employment, income generation and skills training for sustainable livelihoods. The broad objective of this programme was improvement in the output and productivity of the small-scale rural and hinterland agricultural sector, as well as of urban and peri-urban youth and those marginalized on the basis of gender. In order to attain this goal, UNDP assisted in the formulation of coherent frameworks, policies and strategies, to facilitate the development of micro enterprises; the design of micro-credit schemes and the improvement of access to micro-credit; the training of small-scale entrepreneurs in marketing, management and accounting; and the improvement of access to markets and other services.

13. The final thrust of the first CCF was directed at strengthening national capacity for environmental protection, conservation and management. Towards this end, UNDP supported the strengthening of the institutional capacity of the Environmental Protection Agency, the Guyana Forestry Commission, the Guyana National Bureau of Standards, in the implementation of the International Standards Organization 9000 (quality) and 14000 (environmental management) standards regimes, and the establishment of the Iwokrama International Rainforest Programme. UNDP also assisted in the formulation of strategies and systems designed to address Guyana's solid waste management problems, with particular emphasis on the building of community partnerships, and helped the school system to sensitize youth to environmental matters.

14. Conceptually, the first CCF represented a new approach for government agencies in the utilization of UNDP support and assistance. In the second CCF, further efforts will be made to adjust to the programme approach, a move that is viewed as especially relevant in supporting the Government's overall lack of capacity in the planning and management of programmes, as well as in the

effective utilization of donor resources budgeted for individual projects. From a capacity perspective, the greatest need remains to address the Government's difficulties in utilizing all of the available donor resources. Capacity problems in this area were attributed to two reasons: (a) the Government of Guyana lacked the professional, technical, managerial and institutional capacity to absorb all of the available resources in many key sectors; and (b) some sectors and institutions were oversupplied with donor resources, simply because they had the capacity to absorb them and because the donors were required to meet their expenditure targets. The country review thus recommended that the next CCF provide support to strengthening national capacity for coordination, including exploring the possibility of establishing an autonomous programme implementation unit to strengthen national execution.

15. The argument in favour of making greater use of the programme approach and building national capacity for coordination and implementation of projects is further strengthened by the lessons learned during the period of the first CCF. Two such lessons were the need for greater involvement of the stakeholders in the preparation of programmes, and that where the relevant expertise is not available, a process of outsourcing activities should be introduced, in order to preserve the integrity of the programme and provide for the training and necessary skills acquisition of the various levels of stakeholders.

III. Objectives, programme areas and expected results

A. Strategy

16. The Government and UNDP have agreed that the main thrust of UNDP support to Guyana during the period of this second CCF should be directed towards supporting policies and programmes for the eradication of poverty in the country. The specific areas of social and economic development for which the Government has requested UNDP assistance are consonant with the goals and objectives outlined in the Common Country Assessment and the UNDP areas of thematic focus. The Common Country Assessment identified several areas that constrain efforts to alleviate poverty, including weak governance structures (i.e., administrative systems and processes at the national and institutional levels), caused by the limited human resource capacities of the country, and inadequate data and information to inform the crafting of appropriate policies and decision-making. As a consequence, the joint programming instrument of United Nations agencies, the three-year United Nations Development Assistance Framework took a rights-based approach. Simply put, the approach promotes the view that people are entitled to a basic standard of living, and their elected administrators have an obligation to facilitate and provide access to these basic standards. Thus, the programmes of the United Nations country team cluster around efforts to satisfy basic human needs, and in effect, to reduce/eradicate poverty.

17. Both the country's Interim Poverty Reduction Strategy Paper and National Development Strategy recognize that no individual factor can be singled out as the cause of poverty in Guyana. Rather, an interlocking network of policies, actions and omissions occasion poverty. It is evident, therefore, that UNDP, because of its limited resources, will be unable to assist meaningfully in the full gamut of activities that must be undertaken in the immediate and medium-term future, if the country is to make any significant impact on the poverty that so seriously affects its citizens. Accordingly, it has been agreed that UNDP will focus primarily on those issues and areas that reflect its comparative advantages: advocacy; the facilitation of policy dialogue; the mobilization of resources; and the coordination of external assistance. These areas capitalize on the UNDP profile of objectivity and its excellent reputation in leading and coordinating efforts surrounding electoral and constitutional matters in the area of governance. Additionally, the piloting of a multifaceted programme of poverty reduction through the sustainable livelihoods approach in the North Rupununi has also gained much recognition.

18. The focus of in-country donors is wide-ranging. The large lenders continue to fund infrastructure projects, and the Inter-American Development Bank is also looking at information technology issues and public sector reform. The World Bank also supports financial sector reform. United Nations agencies provide support on social sector issues, clustered around children and women and the rights of the child, through the United Nations Children's Fund, and communicable diseases, including HIV/AIDS, through the Pan-American Health Organization. As a consequence, it has been agreed that UNDP will devote its attention to the following areas: capacity-strengthening for poverty eradication, including the enhancement/creation of economic opportunities; governance; and human resource development for environmental stability.

B. Programme areas

Capacity-strengthening for poverty eradication

19. Because of the intensity of the migration from Guyana since the 1980s, the relatively poor salaries that prevail in public service and the moribund structures of many of the institutions that are supposed to contribute to the country's social and economic development, the nation's capacity to manage its affairs has been severely eroded. In many areas, Guyana does not appear to have good or sustainable capacity to: identify opportunities for development; recognize constraints to their realization; undertake analyses in order to decide on the optimal policies to be pursued in the seizure of opportunities and overcoming constraints; formulate plans and strategies to implement policies; organize individuals, groups and systems to ensure the achievement of the goals and objectives of plans and strategies; or evaluate and assess the impact or outcome of the implementation process. UNDP resources will be used to provide catalytic and synergistic support for achieving the goals of national capacity-strengthening for poverty eradication. Every effort will be made to develop partnerships and mobilize additional non-core resources from national as well as external donor sources for greater impact and sustainability of the poverty reduction effort.

20. An overarching concept of capacity-building lies in the area of information technology, not only with respect to computerization and the use of the Internet, but also for the rapid spread of information and knowledge as essential components of the development process. With the assistance of UNDP, the Government will refashion the conceptual basis of the original Sustainable Development Networking Programme, to make it a catalyst for change in the best practices and use of information technology to expand various aspects of the development programme. This will include a programme for comprehensive reform, and the eventual sharing of information and communication by electronic means between, initially, the various social sector ministries, as a pilot project. The implementation of agreed programmes will also be continuously monitored and assessed by this means.

21. Guyana's official data collection and data analysis systems do not operate efficiently. Often, the information that is available from line ministries is not compatible and does not correlate with that provided by the Bureau of Statistics, which makes it difficult to formulate policies and strategies. Therefore, the Government wishes to continue to collaborate with UNDP on the strengthening and upgrading of its entire statistical system. The programme will be undertaken in two phases. First, the existing situation will be assessed. Second, the Bureau of Statistics and the statistical offices of the ministries will be strengthened, through any necessary restructuring of their organizations; electronic linkages will be established throughout the public service sector; required equipment will be provided; and professional, technical and service staff will be trained.

22. Efforts to support the creation of productive employment and income generation will target primarily two groups: Amerindians and women. The Amerindians of Guyana are the poorest ethnic group in the country. The second CCF will continue to build on the achievements under the first CCF. UNDP implemented a pilot project in one of the Amerindian regions during the period of the first CCF, which provided credit, advisory services and training to Amerindians in the marketing of their

produce and crafts. During the period of the second CCF, UNDP will expand this programme to other areas. The experience gained to date will inform national policy-making, with respect to creating an enabling environment for micro-credit and micro-enterprise development, and area development programmes for hinterland regions, particularly targeting the Amerindian population. The expected results are greater and more diversified production in Amerindian areas, a better standard of living and quality of life in the regions Amerindians occupy and a considerable reduction in income poverty in the Amerindian population.

23. The subprogramme for women is also an extension and intensification of the one that was implemented by UNDP during the period of the first CCF. Not only will UNDP continue to support the organization of groups of women to undertake profitable micro-enterprise ventures, but it will also continue to assist in the training of women in leadership qualities, and in skills training for their economic advancement. This is expected to result in a widening and deepening of the skill and knowledge bases of women in many parts of Guyana, consequently leading to an increase in their incomes.

Governance

24. UNDP will continue to provide support for efforts to build an inclusive democracy. The Governance Programme will attempt to further empower people to determine the kind of society in which they wish to live, the manner in which such a society should be managed and the minimizing of the complexity imposed by uncertainty and the lack of predictability of the future, by envisioning a spectrum of future scenarios for which the society must prepare itself to deal. During the period of the second CCF, attention will be focused on those necessary aspects of democratic participation that were not fully addressed in the first CCF. Thus, the Government has identified the following entry points for UNDP assistance: continuing support to the constitutional reform process; gender, within the context of empowerment for development; strengthening of local, municipal, regional and national institutions and organs of governance; ongoing support for the institutional arrangements governing the electoral process; and assistance in consensus-building activities and consultations, as well as institutional development of the proposed Race Relations Commission. UNDP assistance in this programme area is expected to result in: tangible progress towards fashioning mechanisms for social integration, such as the Race Relations Commission; an efficient and fully institutionalized electoral machinery; broad consensus on pressing national development issues and challenges; reform of the current constitution; and democratized central, regional, municipal and local governance institutions, based on the principles of equity of access, participation and inclusiveness.

Human resource development for environmental stability

25. The Government of Guyana has agreed that UNDP will continue to provide support for the training of government officials in the Environmental Protection Agency, the Guyana Geology and Mines Commission, the Guyana Forestry Commission and the Guyana National Bureau of Standards. Additionally, every effort will be made to ensure that these agencies are able to fulfil their regulatory mandates, including the provision of support for the formulation and updating of legislation, strategies and work programmes. At the Government's request, UNDP will also engage selected communities in a series of dialogues aimed at sensitization to environmental issues associated with forestry, mining and urban household sanitation. Support in the area of conservation and effective management of the environment will make every attempt to mainstream poverty eradication efforts, support to indigenous people and the enhancement of economic opportunities.

26. It is expected that the Environmental Protection Agency will further develop its capacity to undertake its many tasks in all the areas of its mandate by the end of the period of the second CCF, and that the reorganization and strengthening of the Guyana Forestry Commission and the Guyana

Geology and Mines Commission, which was begun in the first CCF, will have been considerably enhanced by the end of the second CCF. Moreover, the capacity of the Guyana National Bureau of Standards will be so improved that it will be in a much better position to ensure implementation and adherence to International Standards Organization regimes. In addition, UNDP activities in the area of urban sanitation will lead to a cleaner urban environment. The Government considers that certain challenges the country now encounters in the management of its environment may profit considerably from UNDP involvement. It is also aware that non-core resources are available through UNDP and from the wider donor community for such activities, and proposes that UNDP be the conduit for such assistance. Thus, the Environmental Conservation Programme under the second CCF will be funded from extrabudgetary sources.

IV. Management arrangements

A. Programme management

27. The Ministry of Foreign Trade and International Cooperation is the focal point for UNDP interventions with the Government of Guyana; accordingly, it exercises overall responsibility for the coordination and management of programmes that fall within the second CCF. Experience with the first CCF indicated that available resources can be more effectively and productively utilized through the programme approach. Consequently, management arrangements will support this modality, by concentrating resources on a select number of agreed programmes during the period of the second CCF. A number of projects from the first CCF have already been approved for continuation and will be managed under existing arrangements.

28. Given the general lack of capacity available for programme development and implementation, the Government of Guyana will seek UNDP assistance in the overall management of agreed programmes, with the specific understanding that mechanisms will be put in place for the training of counterpart staff and for attaining programme objectives. Specific training programmes that may be required and are considered consistent with existing development programmes will also be implemented, such as that held during the first CCF for auditors. Wherever possible and appropriate, UNDP will continue to use the technical cooperation among developing countries and the Transfer of Knowledge through Expatriate Nationals delivery modalities to support these capacity-building programmes, since they have been successful in the past and have won high acclaim from beneficiaries.

B. Resource mobilization

29. It is evident that the programmes of intervention planned for the period 2001-2003 demand resources well in excess of the core funding available. Consequently, core funds will be put to strategic use, to create opportunities for partnering with other agencies and the Government in the financing of activities. The opportunities for resource mobilization are very attractive, particularly in the area of environment, via the Global Environment Facility, as well as bilateral and multilateral partners.

C. Monitoring, review and reporting

30. In keeping with the results-based management tools, each programme will be reviewed annually, and reports will be prepared. The objective of the review exercises will be not only to ascertain whether the production of outputs is on schedule, but also to measure their impact on capacity-building, poverty reduction and protection of the environment. In order to assist in the assessment of both outputs and outcomes, relevant measurable indicators will be incorporated into all programmes. The Government and beneficiaries will participate in all stages of the programme period. There will also be a comprehensive mid-term review of the CCF, and regular tripartite review meetings.

Annex

Resource mobilization target table for Guyana (2001-2003)

Source	*Amount (In thousands of United States dollars)*	*Comments*
UNDP regular resources		
Estimated carry-over	2 979	
TRAC 1.1.1	762	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
SPPD/STS	303	
Subtotal	**4 044**[a]	
UNDP other resources		
Government cost-sharing	850	
Third-party cost-sharing	5 542	
Funds, trust funds and other	5 885	
Of which:		
GEF	3 727	
Kyoto	2 000	
Other trust funds	158	
Subtotal	**12 277**	
Grand total	**16 321**[a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core.